

PSJ3

Exhibit 94

From: Roche, Sharon Fitzgerald [JANUS]
To: Mcdonald, Molly [JANUS]
CC: Chupa, Kati [JANUS]
Sent: 12/6/2002 7:10:55 PM
Subject: Discovery meeting

Molly, Kati

The following are updates from my teleconference with Discovery re the monthly meeting, and my overly detailed (sorry) commentary on where we are.

1) I confirmed with them that the agency's report includes dollars that were recognized last year. We need to reduce our current year budget by \$658M - less some opportunities Susan needs to pull together (the new NPEC projects were not available for our meeting)

- 658

2) Distinguished Faculty is overspent by \$49M - they will submit a revised estimate and documentation that I can use to accrue.

+ 49

3) Dr. Passik article will NOT complete this year but we will have increased costs regarding rewrite that will allow us to take at least the \$15M we budgeted for 2002.

no \$ impact

4) PADT prog guidebook - will NOT complete this year - they estimate about 15M this year (vs. 67M)

- 52

5) 2003 Core Curriculum planning is revised down from \$85M to \$23M - change in scope

- 62

6) AAPM symposium will only be able to prespend 25% (\$67M) vs. 50% originally estimated (\$130M)

- 63

7) Functionality assessment tools - quote for \$17M all 2002 - was given to Molly with the other amendments this week (I didn't see it come through yet)

+ 17

8) NPEC opportunities - Susan said that any additional spend they could come up with would be needed to achieve the forecast for NPEC for 2002 - they couldn't really contribute new \$

- 250 (earmark)

Based on where we were last Wednesday end of day, we had worst case of \$2,048M to allocate. These changes (-658+49-52-62-63+17-250) make the total \$3,067 left to allocate. The following came through today or are pending PO setup:

Grants: + \$90 AGS (the others were already earmarked in the budget w/o paperwork)

Triple I + 176M Pads and Cliniforms grossed up for tax

Slide Kit + \$92 (per Discovery we can only assume 80% of the fee for this year)

KPR + \$25 Amendments and first cycle PO's

Seven + 10M holiday card

Pens + 795M not on my desk yet-Jen is preparing the paperwork - this is grossed up for tax

These new items take us from -\$3,067 above offset by (90+176+92+25+10+795) to a total remaining to allocate of \$1,879.

In addition, we have the following earmarks not yet committed

SCG + 170M - we need to follow up with Greg Ballish/Deb Pakenham and get a quote in the system ASAP if the costs look good!

Discovery Chicago + 330M (2003 program fees and accelerated materials purchase) - earmark only.

Market Research + 25M - need to get a firm commitment and go ahead

\$\$\$ - open items to be identified by Discovery East per meeting with Kati

\$\$\$ - open items to be identified by KPR

If we consider these good, this would reduce the amount to allocate to approximately \$1,354M.

We also may want to have a reserve to cover the "weak PO's" I discussed with you. At this point, I would estimate potential for underspends on Exhibits (\$40); McKesson coupons (\$30); Cycle 1 and 2 materials (\$24M); Fanizzi ad board for AP-22 in September (14M) and all other (\$10). If we consider this as a hedge, we would identify a total amount to allocate of \$1,472M.

Sorry for so much detail but I don't want to overlook anything.